conclusion that as a result of this Government's activities of economic reforms, employment opportunities have declined and I have not seen any such figures.

MR. CHAIRMAN: Question No. 482...*(Interruptions)*... I am sorry, we have almost taken half an hour for discussion.

News-item captioned "Tax-proposals will lead to evasion"

*482 SHRI O.P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news-item which appeared in the Indian Express, dated the 11th April, 1995, under the caption "Tax proposals will lead to evasion: I.T. official"; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) The new scheme of assessment of undisclosed income determined as a result of search is proposed to be introduced in order to make the procedure of assessment of search casses effective, efficient and meaningful. There is no basis for the criticism in the newspaper that the proposal will lead to tax evasion. In fact it will help speedier disposal of search assessments.

श्री ओ०पी० कोहली: माननीय सभापति जी, मैं मंत्री महोदय से जानना चाहूंगा कि आयकर विभाग के पास कर चोरी के मामलों में कड़ी कार्यवाही करने के बहुत व्यापक अधिकार होने के बावजूद देश में बड़े पैमाने पर समानान्तर अर्थ-व्यवस्था अर्थात् "पैरेलल इकॉनोमी" जारी है, इस स्थिति से निपटने के लिए सरकार ने पिछले तीन वर्षों में कौन-कौन से कदम उठाए हैं? ये कदम कितने प्रभावकारी सिद्ध हुए हैं और कर-चोरी के जिन मामलों में वर्ष 1991-92, 1992-93 और 1993-94 में तलाशी ली गयी, उसके परिणामस्वरूप कितनी कर वसूली हुई?

SHRI M.V. CHANDRASHEKARA MURTHY: Sir, as regards the fight against the black money menace, we are taking a number of steps. We have intensified surveys and we are conducting searches and I wish to inform the hon. Members that, in 1991, we conducted 3,468 searches. The value of assets seized was Rs. 179.35 crores, and the amount concealed/surrendered was Rs. 188.35 crores. In the year 1992-93, the number of searches was 4,777, the value of assets seized was 384.02 crores and the amount of concealed income surrendered was Rs. 501.05 crores. In the year 1993-94, the number of searches was 5,026, the value of assets seized was Rs. 396.45 crores and the amount of concealed income surrendered was Rs. 448.82 crores. In the year 1994-95, the number of searches was 4,830 and the value of assets seized was Rs. 381.42 crores. The amount of concealed income surrendered was Rs. 477.08 crores.

MR. CHAIRMAN: The second supplementary, please.

श्री ओ०पी० कोहली: सभापति जी, मेरा दूसरा सप्लीमेंटरी यह है कि अन-डिस्कोलज्ड इनकम के डिटेक्ट होने पर और डिटरमिन होने पर जो एसेसमेंट ऑर्डर पास किया जाता है, उस पर एसेसमेंट ऑर्डर के खिलाफ "अपीलेट ट्रिब्युनल" के स्तर तक अपीलों के निपटारे के लिए क्या कोई समय-सीमा या टाइम-लिमिट तय की गयी है? क्या पी०ए०सी० ने इन अपीलों के निपटारे के लिए समय-सीमा निर्धारित करने की सिफारिश की है और क्या सरकार ने पी०ए०सी० की सिफारिश को अमल में लाने के लिए कोई कदम उठाए हैं? सभापति जी, मेरा यह भी सवाल है कि पिछले तीन वर्षों में जो सर्चेज किए गए हैं, सीजर्स किए गए हैं, उनके परिणामस्वरूप सबसे बड़े या "टाप डिफाल्टर्स" कौन-कौन से हैं?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Sir, under the present rules and regulations of searches and seizures, when a search is made and when some valuable assets are seized, then summary assessment has to be made in 120 days. And where no valuable assets are seized, the normal process applies. But, in all such cases, these cases have to be completed in a period of two years But. very often it turns out that these assets relate to a large number of previous years and we have to trace the income back and that

leads to prolonged investigations and many times these cases linger on for years. Sir, the assesses have to go to the Income-tax Appellate Commissioner from the Income-tax Appellate Commissioner they go to the Appellate Tribunal and the result is that there is an inordinate delay in the settlement of these cases. That is why in this year's Finance Bill, I have brought a provision under which this whole procedure will be streamlined. We will have a shorter and quicker methodology of deciding the cases of searches and seizures. What we are trying to do is that wherever search and seizure operations take place, the Assessing Officer will complete the assessment in the normal course under the guidance of the Income-tax Commissioner; from the Income-tax Commissioner, we will skip one layer of appeal, i.e., the Income-tax Commissioner (Appeal) and the appeal will lie directly to the Appellate Tribunal. In this way, I expect, the time which is taken to settle these cases will be greatly reduced.

SHRI O.P. KOHLI: Sir, the first part my supplementary has not been answered. I asked for information about the ten top defaulters and the amount of undisclosed income against them was.

SHRI MANMOHAN SINGH: I do not have that information now. I will make that information available to the hon. Member.

SHRI JAGESH DESAI: Mr. Chairman, Sir, for the last three or four years, the Department of Income-tax has been doing an excellent work in the matter of searches and seizures. The results of this work have just now been told by the Minister. Sir, those who wanted to disclose their income, they had to assess the different rates of tax for the year to which it was related. But, now, under the amendment that has been brought this year, all such disclosures will be taxed at a flat rate of 60 per cent, and as such instead of giving some impetus for the purpose of concealing income, Government has come out with a scheme by which they will disclose and the tax will be at a flat rate. Sir, one thing I would like to tell the hon. Minister is that his Department has done excellent work in overseeing the top industrial houses. But, their undisclosed income is going up and up and this year, 1994-95 it has gone up to Rs. 476 crores. I would like to know whether the Department of Income-tax will be further strengthened and see that the taxes are not evaded in spite of so many concessions so that more revenue can be generated.

SHRI MANMOHAN SINGH: Sir, we have very considerably strengthened the Income-tax administrative machinery. The very fact that this year's actual receipts both under the Personal Income-tax and the Corporation Tax are higher than the Budget figures, is a testimony to the improved efficiency of the functioning of the Income-tax Department. But, I would readily admit that we have still a long way to go. There is a very substantial tax evasion. Hon. Members had earlier asked questions of the generation of black money. Now, we in this Government, are trying to tackle the problem of black money through a multifaceted strategy. Now, what are the various sources of the black money?

What were the various sources of black money? In the past, a major source for the generation of black money was the discretionary control. By eliminating this control we are trying to get at the root of black money. The second important source for the generation of black money was the large-scale smuggling of gold, silver and all other precious commodities. While legalising and liberlising the import of gold and silver, we have plugged an important loophole though not fully. By reducing the rate of import duty, we have reduced the incentive for smuggling. The third important source for the generation of black noney was the hawala transaction through the exchange rate reform whereby today there is a marginal difference between the so called unofficial exchange rate and the official

exchange rate. We have created a situation whereby people have less and less incentives to send their money through illegal channels and that is why our balance of payment has improved very substantially even though our recourse to foreign borrowings has greatly decreased in the last two years. So, we have a multi-pronged strategy to deal with the menace of black money: reduced rates of personal income tax, streamlining, of excise taxation and other indirect taxes form part of that comprehensive strategy. I think, over a period of time, I am confident that you will see that if these reforms are effectively implemented, the hold of black money on our economy will diminish, but I take note of the point hon. Shri Jagesh Desai has made. We cannot relax vigilance the Income-tax Department has to be alert and we shall remain alert.

श्रीमती सुषमा स्वराज: सभापति जी, मंत्री महोदय ने अपने मूल उत्तर में यह कहा कि समाचार पत्रों में इन कर प्रस्तावों की की गई आलोचना निराधार है और इससे कर चोरी को कोई बढ़ावा नहीं मिलता. लेकिन मैं मंत्री महोदय से कहना चाहती हूं कि आपका यह नया कर प्रस्ताव केवल कर चोरी को ही बढ़ावा नहीं देगा बल्कि ईमानदार करदाता के मुकाबले में कर चोरी करने वाले व्यक्ति को फायदा भी पहुंचाएगा क्योंकि अब आपने अनडिस्क्लोज्ड इन्कम पर जो पेनल्टी रखी थी, वह हटा दी, जो पेनल्टी इन्टरेस्ट उसको देना पड़ता था, वह हटा दिया और केवल आपने 60 परसैंट का फ्लेट रेट कर दिया है. इसके मायने हैं कि 10 वर्षों तक कर चोरी करके कमाए गए पैसे को, बचाए गए पैसे को आदमी किसी भी उत्पादक धंधे में लगा सकता है और उससे कितना ज्यादा फायदा उठाकर, जब वह पकड़ा जाए तो केवल 60 फीसदी कर देकर अपना पिंड छुड़ा सकता है. तो इस चीज से क्या कर चोरी करने वालों को बढ़ावा नहीं मिलेगा कि वे उस पैसे को कर देने के बजाए पहले किसी प्रोडक्टिव कार्य में लगा दें और पकड़े जाने पर केवल 60 फीसदी फ्लेट रेट देकर के अपना पिंड छुड़ा लें? तो आपका यह कहना कि इससे कर चोरी को बढ़ावा नहीं मिलेगा, कैसे सच है?

SHRI MANMOHAN SINGH: The hon. Member has expressed an opinion, I beg to differ with her assessment of the situation because today the maximum marginal rate of income-tax is 40 per cent and what we are going to do is to charge this income which is detected in the course of search and seizure operation at the rate of 60 per cent. While the top marginal income tax rate is 40 per cent, effective rates in most of the cases, once allowance is made for various deductions, is much lower. In fact, effective marginal rate will not exceed, in this country, 30 per cent when you allow for various deductions which are admissible. Sir, 30 per cent to 60 per cent tax does contain a substantial element of penalty and I respectfully submit that this tax rate provides sufficient deterrent. It is not, I think an invitation for people not to pay their taxes.

SHRI DINESHBHAI TRIVEDI: Are there any criminal proceedings?

SHRI MANMOHAN SINGH: I would like to say, wherever prosecutions are required, prosecutions will be launched.

Pension Scheme for Employees of Air India

*483. MISS SAROJ KHAPARDE:
SHRI V. NARAYANSAMY:†

Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state:

(a) wether Government have approved a self-contributory superannuation pension schme for the employees of Air India; and

(b) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): (a) and (b) A statement is laid on the Table of the House.

Statement

Following are the salient features of the Self-contributory Superannuation Pension Scheme of Air India:—

(a) It is a purely self-contributory and self-supporting superannuation

†The question was actually asked on the floor of the House by Shri V. Narayanasamy.